

## **Food Prices and Expenditures**

The Consumer Price Index (CPI) for food is projected to rise moderately in the baseline, increasing at an average rate of about 2.3 percent from 2000 to 2010. This compares to a 2.9-percent average rise expected in the CPI for all items, continuing a long-term trend of food prices increasing at slightly less than the general inflation rate. Moderate but steady economic growth, with sustained increases in disposable personal income, will have a positive impact on consumer demand for food.

Increases in prices for food away from home, which contain a large service component, are being held down by competition in the food industry. As a result, away-from-home prices rise at a moderate annual average rate of about 2.3 percent from 2000 to 2010. Prices for food at home increase about 2.2 percent per year. For foods purchased for consumption at home, the strongest price increases generally occur among the more highly processed foods such as cereals and bakery products. Prices for these foods are related more to the costs of processing and marketing than to the costs of farm commodities and, therefore, rise at a rate closer to the general inflation rate.

Total food expenditures rise at a 3.8-percent average annual rate in the baseline. Expenditures for meals eaten away from home account for a growing share of food spending, reaching nearly 50 percent of total food expenditures by 2010. Growth in expenditures for food eaten away from home will average 4.3 percent a year while expenditures for food at home will rise 3.4 percent annually.

Table 34. Consumer food price indexes and food expenditures baseline

CPI category	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Consumer price indexes:</b>													
	<i>1982-84=100</i>												
All food	160.7	164.1	167.9	171.3	174.7	179.2	183.7	188.0	192.0	196.0	200.5	205.3	210.2
Food away from home	161.1	165.1	169.0	172.9	176.9	181.0	185.2	189.5	193.9	198.4	203.0	207.7	212.5
Food at home	161.1	164.2	167.9	171.0	174.1	178.8	183.5	187.8	191.6	195.3	199.8	204.7	209.7
Meats	141.6	142.3	150.6	152.2	150.5	155.0	159.0	161.3	161.0	160.7	162.9	166.2	169.1
Beef and veal	136.5	139.2	147.4	149.0	150.1	154.3	158.1	160.5	159.7	159.1	161.2	164.7	167.9
Pork	148.5	145.9	156.5	156.5	148.2	153.2	157.5	159.8	160.6	161.2	163.3	166.1	168.2
Other meats	146.8	148.2	151.5	155.0	156.2	160.5	164.5	166.9	166.1	165.5	167.7	171.4	174.7
Poultry	157.1	157.9	160.0	160.0	158.0	160.6	163.1	164.6	163.9	164.0	166.7	170.7	174.6
Fish and seafood	181.7	185.3	190.9	195.9	200.8	205.8	210.9	216.2	221.6	227.1	232.8	238.6	244.6
Eggs	135.4	128.1	129.0	129.0	130.5	134.4	138.9	143.5	148.1	152.7	157.4	162.0	166.7
Dairy products	150.8	159.6	161.0	160.2	162.8	167.0	171.0	175.0	179.0	182.5	186.0	189.5	193.5
Fats and oils	146.9	148.3	147.3	150.0	153.7	158.0	162.3	166.7	171.2	175.6	180.2	184.9	189.8
Fruits and vegetables	198.2	203.1	203.9	209.7	216.5	222.4	228.5	234.7	241.0	247.0	253.5	259.9	266.5
Sugar and sweets	150.2	152.3	154.0	158.0	161.1	164.3	167.3	170.9	174.6	178.3	182.1	186.0	190.0
Cereals and bakery products	181.1	185.0	188.4	194.1	200.4	206.8	212.9	218.9	225.0	231.4	238.1	245.2	252.4
Nonalcoholic beverages	133.0	134.3	137.7	141.1	144.6	148.2	151.9	155.7	159.6	163.6	167.7	171.9	176.2
Other foods	165.5	168.9	172.1	176.9	181.8	186.9	192.1	197.5	203.1	208.8	214.7	220.7	226.8
<b>Food expenditures:</b>													
	<i>Billion dollars</i>												
All food	751.5	788.6	823.6	855.0	885.1	920.4	956.5	993.5	1,031.4	1,070.1	1,111.6	1,155.6	1,201.4
Food at home	398.9	413.9	432.8	447.1	459.6	476.5	493.4	510.4	527.5	544.4	563.2	583.5	604.6
Food away from home	352.6	374.7	390.8	407.9	425.5	443.9	463.1	483.1	503.9	525.7	548.4	572.1	596.8

Table 35. Changes in consumer food prices, baseline

CPI category	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	<i>Percent</i>												
All food	2.2	2.1	2.3	2.0	2.0	2.6	2.5	2.3	2.1	2.1	2.3	2.4	2.4
Food away from home	2.6	2.5	2.4	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Food at home	1.9	1.9	2.3	1.8	1.8	2.7	2.6	2.3	2.0	1.9	2.3	2.5	2.4
Meats	-1.9	0.5	5.8	1.1	-1.1	3.0	2.6	1.4	-0.2	-0.2	1.4	2.0	1.7
Beef and veal	-0.2	2.0	5.9	1.1	0.7	2.8	2.5	1.5	-0.5	-0.4	1.3	2.2	1.9
Pork	-4.7	-1.8	7.3	0.0	-5.3	3.4	2.8	1.5	0.5	0.4	1.3	1.7	1.3
Other meats	-0.9	1.0	2.2	2.3	0.8	2.8	2.5	1.5	-0.5	-0.4	1.3	2.2	1.9
Poultry	0.3	0.5	1.3	0.0	-1.3	1.6	1.6	0.9	-0.4	0.1	1.6	2.4	2.3
Fish and seafood	2.6	2.0	3.0	2.6	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Eggs	-3.3	-5.4	0.7	0.0	1.2	3.0	3.3	3.3	3.2	3.1	3.1	2.9	2.9
Dairy products	3.6	5.8	0.9	-0.5	1.6	2.6	2.4	2.3	2.3	2.0	1.9	1.9	2.1
Fats and oils	3.7	1.0	-0.7	1.8	2.5	2.8	2.7	2.7	2.7	2.6	2.6	2.6	2.7
Fruits and vegetables	5.7	2.5	0.4	2.8	3.2	2.7	2.7	2.7	2.7	2.5	2.6	2.5	2.5
Sugar and sweets	1.6	1.4	1.1	2.6	2.0	2.0	1.8	2.2	2.2	2.1	2.1	2.1	2.2
Cereals and bakery products	2.0	2.2	1.8	3.0	3.2	3.2	2.9	2.8	2.8	2.8	2.9	3.0	2.9
Nonalcoholic beverages	-0.3	1.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Other foods	2.7	2.1	1.9	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8